GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2537
ANSWERED ON:16.03.2007
MAINTENANCE OF MINORS ACCOUNT
Goel Shri Surendra Prakash

Will the Minister of FINANCE be pleased to state:

(a) whether the National Security Depository Limited has directed the Depository Participants to maintain minor's account in single name only;

(b) if so, the details thereof and the reasons therefor; and

(c) steps taken/proposed to be taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (c): National Securities Depository Limited has informed that it has advised its Depository Participants (DPs) to open a minor`s account under the guardianship of one of the natural guardians or a court appointed guardian. It has advised DPs not to open joint accounts (guardian with a third person, as a joint holder) on behalf of minors. It had done so keeping in view the fiduciary relationship between the guardian and the minor as laid down in the Guardians and Wards Act and the associated difficulties in operating the account if it is opened otherwise.